

DIPLOMA IN INSURANCE

Unit Name: Health Insurance

Unit Code: DIP 320

SAMPLE QUESTION

Safe Engineering and testing ltd is an engineering and construction company with a staff compliment of 1900 working in various sections in the country. The company has a group medical insurance cover from Cover me insurance company. The policy provides cover for both inpatient and outpatient with an extension for overseas treatment. Employees are issued with medical cards that they use to access treatment from listed hospitals.

Andrew, their employee covered under the scheme was involved in an accident at work on an engagement in line with his duties leading to an emergency admission requiring airlift by flying doctor services from the remote work station to the nearest health facility. Andrew was insured under the Group medical scheme that was a comprehensive medical insurance from Coverme Insurance Company with cover limits of kes 5,000,000 on inpatient and 200,000 outpatient. The insurance company on receipt of the admission authorization form has given approval for bills up to kes 1,000,000.

Andrew has sought advice from you as the account handler at Coverme Insurance company seeking advice on other insurance covers where the additional bills can be accommodated among other options. There have been several hospitalisation cases from work-related injury incidents and the underwriting unit has pointed out this in the past review meeting following unfavourable claims experience over time.

Doctor XL, the lead doctor has indicated to Andrew that he will require treatment abroad and eventually, there will be long term health challenges that Andrew will have to live with.

- a) Advise Andrew as the employee on four (4) possible expenses that are claimable under his insurance cover provided by the employer (4 marks)
- b) Explain to Andrew, three (3) possible reasons for the approval given on the bills. (6 marks)
- c) **Advice** Andrew as the account handler at Coverme Insurance on three (3) other insurances that can meet the hospital bills incurred. (6 marks)
- d) Explain four (4) circumstances that may have influenced doctor XL to make a recommendation for overseas treatment. (8 marks)
- e) Explain some four (4) costs incurred from such overseas treatment that can be covered by his insurance (4 marks)
- f) Explain four (4) options that are available to Coverme Insurance to minimize the effect of the high loss ratio reflected on the account (4marks)
- g) As the account handler, advise the employee on three (3) ways that he could explore in order to manage his medical costs in the long term in his new found health situation (3 marks)